

BAKER BOTTS L.L.P.

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*Counsel for the Utilities*

**UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF WASHINGTON**

JAMON RIVERA, an individual;  
INLAND NW AGC, a membership  
organization; SPOKANE HOME  
BUILDER'S ASSOCIATION, a  
nonprofit corporation;  
WASHINGTON STATE  
ASSOCIATION OF UA PLUMBERS,  
PIPEFITTERS AND HVAC/R  
SERVICE TECHNICIANS, a labor  
organization; CONDRON HOMES  
LLC, a limited liability company;  
PARAS HOMES LLC, a limited  
liability company; GARCO  
CONSTRUCTION INC., a for-profit  
corporation, NATIONAL PROPANE  
GAS ASSOCIATION, a national trade  
association, CITIZEN ACTION  
DEFENSE FUND, a nonprofit  
corporation; AVISTA  
CORPORATION; CASCADE  
NATURAL GAS CORPORATION;  
AND NORTHWEST NATURAL  
GAS COMPANY,

No. 1:23-cv-03070-SAB

**DECLARATION OF BRIAN L.  
ROBERTSON**

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Plaintiffs,

v.

WASHINGTON STATE BUILDING  
CODE COUNCIL,

Defendant.

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2. I have personal knowledge of the facts set forth herein.

3. I graduated from Central Washington University with a degree in Actuarial Science. After graduating, I joined Cascade in February 2014 as a Regulatory Analyst. I joined the Gas Supply department in March 2015 as a Resource Planning Analyst II. In July 2016, I was promoted to Senior Resource Planning Analyst. In June 2019, I was promoted to Supervisor of Resource Planning.

4. As Supervisor of Resource Planning, my job duties include supervising two analysts, as well as performing long-term forecasting, market research, upstream modeling, and other duties regarding Cascade's Integrated Resource Plan.

5. Sections C403.1.4, C404.2.1, Table C407.2, C502.2.4, C502.2.5, C503.4.6, C503.5, R403.5.7, R403.13, Table R405.2(1), R503.1.2, R503.1.3, R502.3.2, and R502.3.3 of the 2021 Washington Energy Codes (collectively, “Appliance Restrictions”) ban in many instances gas space and water heating appliances in residential and commercial buildings.

6. Previously, in 2020-2022, Cascade added 9,694 new residential and commercial customers to its customer base in Washington. This consisted of 766 new commercial customers and 8,928 new residential customers. In light of the Appliance Restrictions, Cascade anticipates this level of new customer growth to decline.

Row Labels	12/31/2019	12/31/2020	12/31/2021	12/31/2022	2020-2022
GAS-FIRM COMMERCIAL	26,880	27,055	27,394	27,646	766
GAS-RESIDENTIAL	193,905	197,405	200,510	202,833	8,928
Grand Total	220,785	224,460	227,904	230,479	9,694

7. Before the adoption of the Appliance Restrictions, Cascade forecasted adding 24,970 new residential customers in Washington between 2024-2030 in the Integrated Resource Plan Cascade submitted to the Washington Utilities and Transportation Commission. Cascade Natural Gas Corporation, *2023 Cascade IRP – Appendix B*, 139, In the Matter of Cascade Natural Gas Corporation 2023 Integrated Resource Plan, Washington Utilities and Transportation Commission Docket No. UG-220131 (Feb. 24, 2023) (*See Attachment 1*). This represents the addition of approximately 3,567 customers a year in Washington.

8. On the commercial side, before the Appliance Restrictions, Cascade forecasted in its Integrated Resource Plan that it would have approximately 3,140 new commercial customers between 2024-2030. *Id.* This represents the addition of approximately 449 commercial customers a year in Washington.

1       9. As a result of the Appliance Restrictions, Cascade projects that it will face a  
2 significant decline in the above forecasted growth levels set forth in its Integrated  
3 Resource Plan.

4       10. In proceedings before the Washington Utilities and Transportation  
5 Commission, multiple parties, including the Commission's Staff, have cited the  
6 2021 Washington State Energy Codes as a reason why Cascade will not have future  
7 customer growth and will experience a decline in customers overall. *See, e.g.,*  
8 Washington Utilities and Transportation Commission, *Commission Staff Comments*  
9 *Regarding 2023 Natural Gas Integrated Resource Plan*, 5, In the Matter of Cascade  
10 Natural Gas Corporation 2023 Integrated Resource Plan, Washington Utilities and  
11 Transportation Commission Docket No. UG-220131 (Apr. 28, 2023) ("Combined,  
12 Staff finds these statutes and code changes should result in zero customer growth by  
13 2031. After which time, the natural rate of building stock attrition should  
14 consistently decrease customer counts.") (*See Attachment 2*).

15       11. The addition of new customers to the gas system helps maintain the current  
16 gas system to ensure safety, reliability, and resiliency by providing funds to maintain  
17 and upgrade Cascade's infrastructure while allowing these costs to be spread over a  
18 growing customer base, thereby keeping costs for individual customers at a  
19 reasonable level. Thus, sharply curtailing the addition of new customers to the gas  
20 system will increase gas service costs for existing customers.

1        12. The combination of the above negative impacts of the Appliance Restrictions  
2 poses significant harm to Cascade.

3        13. I declare, under penalty of perjury, that the foregoing is true and correct.

4 Executed on June 1, 2023:

5        /s/ Brian Robertson  
6 Brian L. Robertson  
7 Supervisor of Resource Planning  
8 Cascade Natural Gas Corporation  
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**DECLARATION OF BRIAN L.  
ROBERTSON - ATTACHMENT 1**

**2023 Cascade IRP – Appendix B, 139, In the  
Matter of Cascade Natural Gas Corporation  
2023 Integrated Resource Plan, Washington  
Utilities and Transportation Commission  
Docket No. UG-220131 (Feb. 24, 2023)**

Cascade Natural Gas 2023 IRP Demand Forecast Summary Tables												
Washington												
Annual Requirements (Therms)												
	Low			Expected			High			Annual Change		
	Heating	BaseLoad	Total	Heating	BaseLoad	Total	Heating	BaseLoad	Total	Heating	BaseLoad	Total
2023	186,498,200	68,225,877	254,724,076	188,457,692	68,225,877	256,683,569	195,488,010	68,225,877	263,713,887	0.00%	0.00%	0.00%
2024	187,627,840	69,745,300	257,373,140	192,126,430	69,745,300	261,871,733	200,730,948	69,745,300	270,476,248	0.61%	2.23%	2.56%
2025	186,081,284	70,875,617	256,956,901	192,901,853	70,875,617	263,777,469	203,448,949	70,875,617	274,320,515	-0.67%	1.62%	1.42%
2026	186,081,284	72,171,863	258,253,146	194,784,480	72,171,863	266,956,343	207,585,364	72,171,863	279,757,227	-0.15%	1.83%	1.98%
2027	186,078,113	73,057,563	259,135,676	196,946,212	73,057,563	270,003,774	211,463,809	73,057,563	284,521,372	0.00%	1.23%	1.85%
2028	187,220,485	73,959,722	261,180,207	199,319,184	73,959,722	273,278,906	217,877,734	73,959,722	291,837,456	0.61%	1.23%	2.33%
2029	185,545,342	75,381,656	260,926,998	201,024,200	75,381,656	276,405,857	220,350,445	75,381,656	295,732,101	-0.89%	1.92%	1.33%
2030	185,541,092	75,932,562	261,473,654	203,070,734	75,932,562	279,003,296	224,171,914	75,932,562	300,104,476	0.00%	0.73%	1.48%
2031	185,277,471	77,055,267	262,332,738	204,938,521	77,055,267	281,993,788	228,673,402	77,055,267	305,728,669	-0.14%	1.48%	1.87%
2032	186,396,764	77,729,068	264,125,831	208,422,776	77,729,068	286,151,844	234,255,193	77,729,068	312,024,187	0.60%	0.87%	2.06%
2033	184,780,914	78,761,010	263,541,924	208,825,705	78,761,010	287,583,715	236,880,819	78,761,010	315,641,829	-0.87%	1.33%	1.16%
2034	184,254,856	79,970,409	264,225,265	209,855,736	79,970,409	290,826,145	241,223,803	79,970,409	321,194,212	-0.28%	1.54%	1.76%
2035	183,773,896	81,101,460	264,875,355	212,257,503	81,101,460	293,358,965	245,141,208	81,101,460	326,242,668	-0.26%	1.41%	1.57%
2036	184,852,617	81,995,247	266,847,864	215,595,853	81,995,247	297,591,100	251,643,619	81,995,247	333,638,866	0.59%	1.10%	1.48%
2037	182,932,307	83,383,150	266,315,457	215,866,449	83,383,150	299,249,599	253,972,718	83,383,150	337,355,868	-1.04%	1.69%	1.11%
2038	182,739,261	84,160,506	266,899,767	217,771,439	84,160,506	301,931,946	258,241,535	84,160,506	342,402,041	-0.11%	0.93%	1.50%
2039	182,157,062	85,374,840	267,531,901	219,408,506	85,374,840	304,783,346	262,812,679	85,374,840	348,187,519	-0.32%	1.44%	1.69%
2040	182,723,066	86,510,012	269,233,078	222,636,095	86,510,012	308,846,108	268,186,889	86,510,012	354,696,901	0.31%	1.33%	1.87%
2041	181,197,889	87,551,428	268,749,318	222,429,246	87,551,428	310,200,674	271,509,840	87,551,428	359,061,268	-0.83%	1.20%	1.23%
2042	180,494,020	88,769,202	269,263,222	224,779,837	88,769,202	313,049,038	275,419,394	88,769,202	364,188,596	-0.39%	1.39%	1.43%
2043	179,893,327	89,868,933	269,762,260	225,763,882	89,868,933	315,632,815	279,443,501	89,868,933	369,312,434	-0.33%	1.24%	1.41%
2044	180,850,033	90,647,262	271,497,295	229,137,172	90,647,262	319,784,434	286,294,885	90,647,262	376,942,147	0.53%	0.87%	1.44%
2045	178,876,828	91,905,795	270,782,623	229,243,528	91,905,795	321,149,324	288,388,486	91,905,795	380,294,281	-1.09%	1.39%	0.89%
2046	177,925,352	93,058,742	270,984,094	230,187,240	93,058,742	323,245,983	291,818,127	93,058,742	384,876,869	-0.53%	1.25%	1.25%
2047	176,847,226	94,602,030	271,449,256	231,371,783	94,602,030	325,999,863	296,114,363	94,602,030	390,735,273	0.73%	0.90%	1.58%
2048	177,862,284	95,152,511	273,014,795	234,652,645	95,152,511	329,805,155	303,345,400	95,152,511	397,497,911	0.57%	0.56%	1.73%
2049	175,439,564	95,858,615	271,298,178	235,126,324	95,858,615	330,984,939	305,814,463	95,858,615	401,673,078	-1.36%	0.74%	1.05%
2050	174,654,018	96,999,012	271,653,031	236,542,907	96,999,012	333,541,920	309,794,783	96,999,012	406,793,795	-0.45%	1.19%	1.27%

Peak Day - BaseLoad												
	Low			Expected			High			Annual Change		
	Daily BaseLoad	Peak	Total	Daily BaseLoad	Peak	Total	Daily BaseLoad	Peak	Total	Base	Peak	Total
2023	186,920	1,500,631	1,687,551	186,920	1,700,556	1,887,476	186,920	2,222,637	2,409,557	0.00%	0.00%	0.00%
2024	191,083	1,487,811	1,678,894	191,083	1,696,476	1,887,559	191,083	2,223,813	2,414,896	2.23%	-0.85%	0.22%
2025	194,180	1,501,240	1,695,420	194,180	1,723,208	1,917,388	194,180	2,266,802	2,461,030	1.62%	0.98%	1.91%
2026	197,731	1,547,417	1,745,148	197,731	1,785,338	1,983,069	197,731	2,355,405	2,553,136	1.38%	2.08%	3.01%
2027	200,158	1,562,399	1,763,096	200,158	1,814,579	2,014,737	200,158	2,401,202	2,601,359	1.23%	1.00%	1.89%
2028	202,629	1,583,188	1,785,817	202,629	1,846,755	2,049,385	202,629	2,448,750	2,651,380	1.23%	1.30%	1.94%
2029	206,525	1,599,954	1,806,479	206,525	1,874,331	2,080,856	206,525	2,490,242	2,696,767	1.92%	1.06%	1.71%
2030	208,034	1,604,777	1,812,811	208,034	1,886,635	2,094,669	208,034	2,508,440	2,692,519	0.73%	-0.70%	0.73%
2031	211,110	1,604,277	1,815,387	211,110	1,896,157	2,107,268	211,110	2,528,104	2,739,214	-0.48%	1.17%	1.48%
2032	212,956	1,653,846	1,866,802	212,956	1,962,061	2,175,018	212,956	2,620,847	2,833,804	0.87%	3.09%	3.87%
2033	215,784	1,666,089	1,881,873	215,784	1,990,081	2,205,865	215,784	2,666,882	2,882,665	1.33%	0.74%	1.81%
2034	219,097	1,683,448	1,902,545	219,097	2,019,131	2,238,228	219,097	2,710,266	2,929,363	1.54%	1.04%	1.63%
2035	222,196	1,704,241	1,926,437	222,196	2,048,347	2,270,543	222,196	2,751,099	2,973,295	1.41%	1.24%	1.99%
2036	224,645	1,691,667	1,916,311	224,645	2,041,534	2,266,179	224,645	2,745,185	2,969,830	-1.00%	-0.74%	-0.53%
2037	228,447	1,738,211	1,966,658	228,447	2,107,390	2,335,837	228,447	2,840,294	3,068,741	1.69%	2.75%	3.69%
2038	230,577	1,755,138	1,985,715	230,577	2,135,820	2,366,397	230,577	2,882,940	3,113,517	0.93%	0.97%	0.97%
2039	233,904	1,771,480	2,005,383	233,904	2,166,158	2,400,062	233,904	2,929,180	3,163,084	1.44%	0.93%	0.99%
2040	237,011	1,791,091	2,028,101	237,011	2,194,366	2,431,380	237,011	2,969,263	3,206,277	1.33%	1.10%	1.33%
2041	239,867	1,772,681	2,012,548	239,867	2,182,888	2,422,755	239,867	2,958,528	3,198,394	-1.20%	-1.02%	-0.76%
2042	243,203	1,788,244	2,031,447	243,203	2,210,031	2,453,234	243,203	2,999,649	3,242,852	1.39%	0.88%	0.94%
2043	246,216	1,838,945	2,085,161	246,216	2,279,866	2,526,082	246,216	3,098,968	3,345,185	1.24%	2.84%	2,646
2044	248,349	1,859,814	2,108,163	248,349	2,313,720	2,562,069	248,349	3,147,993	3,396,283	0.87%	1.13%	1.10%
2045	251,797	1,874,660	2,126,457	251,797	2,340,748	2,592,545	251,797	3,189,108	3,440,905	1.39%	0.80%	0.87%
2046	254,955	1,887,520	2,142,475	254,955	2,365,478	2,620,434	254,955	3,227,942	3,482,897	1.25%	0.69%	0.75%
2047	259,235	1,866,911	2,126,146	259,235	2,349,575	2,608,810	259,235	3,210,169	3,469,404	1.68%	-1.09%	-0.76%
2048	260,692	1,920,480	2,181,172	260,692	2,424,256	2,684,948	260,692	3,316,470	3,577,161	0.56%	2.87%	2,599
2049	265,626	1,938,576	2,204,202	262,626	2,455,734	2,718,360	262,626	3,362,705	3,625,392	0.74%	0.94%	0.92%
2050	269,751	1,953,984	2,223,734	265,751	2,484,381	2,750,132	265,751	3,406,394	3,672,145	1.19%	0.79%	0.84%

Therms Usage by Class												
	Low			Expected			High			Annual Change		
	Res	Com/Ind	Total	Res	Com/Ind	Total	Res	Com/Ind	Total	Res	Com/Ind	Total
2023	123,624,479	122,099,597	254,724,076	133,712,148	122,971,421	256,683,569	137,779,979	126,437,908	263,713,887	0.00%	0.00%	0.00%
2024	124,049,812	123,323,327	257,373,140	136,321,636	125,549,697	261,871,733	141,035,125	129,441,122	270,476,248	0.07%	1.04%	2.56%
2026	133,988,307	123,249,022	257,237,329	137,424,229	126,353,240	263,777,469	143,251,853	131,068,662	274,320,515	-0.05%	-0.06%	-0.05%
2025	134,494,059	123,759,088	258,253,146	139,101,409	127,854,934	266,956,343	146,087,721	133,669,506	279,757,227	0.38%	0.41%	0.39%
2027	134,973,559	124,162,117	259,135,676	140,752,251	127,540,734	270,003,774	148,915,837	136,005,535	284,521,372	0.36%	0.33%	0.34%
2028	136,023,599	125,156,608	261,180,207	143,003,976	131,274,930	274,278,906	153,415,840	139,421,616	291,837,456	0.78%	0.09%	0.79%
2029	135,901,510	125,025,470	2									

**DECLARATION OF BRIAN L.  
ROBERTSON - ATTACHMENT 2**

**Commission Staff Comments Regarding 2023  
Natural Gas Integrated Resource Plan, 5, In  
the Matter of Cascade Natural Gas  
Corporation 2023 Integrated Resource Plan,  
Washington Utilities and Transportation  
Commission Docket No. UG-220131 (Apr. 28,  
2023)**

## Major Staff Concerns

While Staff provides numerous recommendations in response to Cascade's IRP, the central and principal concerns for Staff are the (1) Demand Forecast, and (2) CCA analysis. These two components are the keystones of the IRP. The central question of the IRP document is to "meet current and future needs at the lowest reasonable cost to the utility and its ratepayers."<sup>10</sup> The demand forecast defines the need and the CCA drives much of the future cost analysis.

As will be explained in further detail below, Cascade notes that growth in customer counts drives the demand forecast. Staff finds that Cascade does not consider the impact of building codes and building code statutes that will significantly impact customer counts. Recent building code changes are substantially reducing the ability of customers to install natural gas furnaces in some new buildings. By statutory mandate, these restrictions should continue to tighten in the future. Further, the State Building Code Council has a statutory goal of reducing emissions from fossil fuels in new buildings to zero by 2031. Combined, Staff finds these statutes and code changes should result in zero customer growth by 2031. After which time, the natural rate of building stock attrition should consistently decrease customer counts. These clear statutory bounds on customer counts contrast sharply with Cascade's assumptions about demand growth every year indefinitely into the future.

As will be discussed at greater length below, Staff identified significant issues with Cascade's limited analysis of the CCA. The Company bears additional costs through the requirement to purchase emissions allowances or other compliance resources. Previously, gas utilities typically only had to analyze the lowest reasonable cost between natural gas and conservation. In 2023, gas utilities are required to assess the lowest reasonable cost with regards to natural gas, free allowances, auctioned allowances, offsets, RNG, various green synthetic fuels, as well as penalties for non-compliance. Staff notes that Cascade does not consider RNG, limitations on the number of allowances sold at auction, nor problems with relying upon Price Ceiling Units. Staff finds that failing to include these compliance resources and limitations in its analysis makes Cascade's lowest reasonable cost analysis inadequate. The purpose of an IRP is to examine a range of resources and forecasts of future natural gas demand in order to develop a "short-term plan outlining the specific actions to be taken by the utility in implementing the long-range integrated resource plan during the two years following submission."<sup>11</sup>

The IRP lacks an accurate demand forecast and CCA analysis, which introduces risk into planning of current or potential acquisition(s) of resources. The regulatory landscape has shifted dramatically since the last IRP in 2020. These changes have large implications for ratepayers, and it is imperative that gas utilities conduct accurate analysis now so that foreseeable harm can be avoided.

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<sup>10</sup> WAC 480-90-238(2)(a)

<sup>11</sup> WAC 480-90-238(3)(h)